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ARTICLE

Remembering the Future: Entrepreneurship Guidebooks in the US, from Meditation to Method (1945-1975)

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ABSTRACT: This paper discusses Foucault's analyses of the rise of the entrepreneur in the second half of the 20th century. Whereas Foucault based his conclusions on readings of economic theory, we propose here to look at "practical texts," i.e. entrepreneurship guidebooks, in the way Foucault himself did in his research on antiquity. We also mobilize Foucauldian concepts from his lectures on the "Care of the Self" and the "Hermeneutics of the Subject" to account for our empirical observations. By comparing two series of entrepreneurship guidebooks issued by the US government in the mid-1940s and the late 1950s-1975, we argue that a major shift occurred between these two periods. In the 1940s, the future was supposed to be meditated upon: entrepreneurs were incited to mentally consider the dangers of running a business, and they were given mental techniques, along with basic paper technologies (e.g. checklists), in order to do so. A bit more than a decade later and for the decades to follow, entrepreneurs were told to plan their new businesses thoroughly, and thus to devise their future; they were provided with more advanced paper technologies (accounting technologies and business plan templates). The future was no more an object of meditation: it had become a methodical project.

Keywords: History, nullification of the future, meditation techniques, homo oeconomicus, entrepreneur, project, business plan, accounting technologies.

Whereas Foucault's early analyses are often remembered for their analysis of practical documents, the description of the *panopticon* or the practice of the confessional, the lectures on 'neoliberalism' predominantly follow the major theoretical discussions. This is in some sense a limitation of the lecture course format, or at least a reflection that this material was never developed into a full study. Any analysis that is faithful to the spirit and not just the letter of Foucault's text would focus on its existence as a practice and not just a theory diffused throughout the economy, state, and society.¹

This paper proposes such an analysis, by looking at entrepreneurship guidebooks published in the US after World War II. These guidebooks, or booklets, sought to help entrepreneurs start their business projects and, in the process, also constitute themselves as enterprising subjects.

Booklets, Subjects and Projects

The study of entrepreneurship guidebooks and their possible role in the making of contemporary entrepreneurial individuals is intended to complement Foucault's reading of, for instance, the fundamental texts of human capital theory (Theodor Schultz, Gary Becker) or of the Austrian school (Friedrich Hayek, Ludwig von Mises).² Such sources allow us to stand closer to practice, for they provide access to some of the textual technologies through which entrepreneurial activities were both mirrored and tentatively shaped in the widely redesigned economic world that emerged after World War II.

In doing so, we may approach the method used by Foucault in his more finalised works on the constitution of the self. This allows us to complement a burgeoning stream of research on the relationships between his texts on antiquity and those on modern times.³ In his introduction to *The use of pleasures*, the philosopher explained:

The domain I will be analyzing is made up of texts written for the purpose of offering rules, opinions, and advice on how to behave as one should: 'practical texts,' which are themselves objects of 'practice' in that they were designed to be read, learned, reflected upon, and tested out, and they were intended to constitute the eventual framework of everyday conduct. These texts thus served as functional devices that would enable individuals to question their own conduct, to watch over and give shape to it, and to shape themselves as ethical subjects; in short, their function was 'etho-poetic,' to transpose a word found in Plutarch.⁴

The texts examined here are such "objects of practice" that provide "rules, opinions and advice," for example on the choice of business location or financial structure, as well as technologies, such as ratios and accounting tables, aimed at shaping the way entrepreneurs lead their

¹ Jason Read, "A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity," *Foucault Studies*, no. 6 (February 2009), 29-30.

² Michel Foucault, *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979* (New York: Palgrave MacMillan, 2008).

³ Andrew Dilts, "From 'Entrepreneur of the Self' to 'Care of the Self': Neo-Liberal Governmentality and Foucault's Ethics," *Foucault Studies*, no. 12 (2011).

⁴ Michel Foucault, *The History of Sexuality, Vol. 2: The Use of Pleasures* (London: Penguin, 1985), 12-13.

business lives. Made to be handled daily and for practical purposes, they can in this respect be thought of as modern equivalents of the antique texts Foucault studied in his history of sexuality, except they are less etho- than economo-poetic—if we may coin such a monstrous word—, i.e. aimed at constituting predominantly economic, rather than ethical subjects.

Entrepreneurship guidebooks, we must add, are radically deprived of the philosophical lustre Foucault was lucky enough to find, along with practical advice, in the prose of the Stoics and Epicurists, and later in the writings of libertarian economists (although this time without much simultaneous reference to practice). Abstract definitions of economic man and advice on entrepreneurship are published in distinct books and separate literary genres. However, this modern separation of theory and practice only makes it more worthwhile for us to turn our eyes to the latter, i.e. to the literature providing the framing and equipment for business practices, in spite of how deeply unglamorous it may look to the intellectual eye, which would spontaneously feel more comfortable reading Hayek—however controversial his positions may be. As we will show, the practical purification of entrepreneurship guidebooks, the expurgation of all apparent philosophical considerations from their contents, is indeed one of their important features, which makes them a possibly powerful technology of the economic self, because it allows for the wider circulation and easier diffusion of the types of conducts they advocate. Most importantly, we hope to show that the modern entrepreneurial subject emerged not only in the realm of neoliberal theory, but also in the pages of such ‘practical’ manuals.

This practice-oriented approach is shared with a number of authors who, over the past two to three decades, have attempted to document Foucault’s assertions on the late reconstitution of the modern subject in the second half of the 20th century. The rise of the “neoliberal subject,” be it the “governable person,” the “enterprising self,” or “*homo æconomicus*,” has for instance been demonstrated through studies of cases such as those of managers, industrial workers, patients of psychoanalysts, consumers, and children, in Western societies as well as in other regions of the world.⁵ There is evidence for the widespread historical development of certain types of individual behaviour and attitudes that are, more often than not, deemed to be those of an ideal-typical “entrepreneur.”

⁵ Paul Du Gay, Graeme Salaman & Bronwen Rees, “The Conduct of Management and the Management of Conduct: Contemporary Managerial Discourse and the Constitution of the ‘Competent’ Manager,” *The Journal of Management Studies*, vol. 33, no. 3 (1996), 263-282; Daniel Fridman, “A New Mentality for a New Economy: Performing the Homo Economicus in Argentina (1976-83),” *Economy & Society*, vol. 39, no. 2 (2010), 271-302; André Gorz, “‘La Personne devient une entreprise’: Note sur le travail de production de soi,” *Revue du Mauss*, vol. 18 (2001/2), 61-66; Jean-Claude Kaufmann, *L’Invention de soi. Une théorie de l’identité* (Paris: Armand Colin, 2004); Peter Miller & Ted O’Leary, “Accounting and the Construction of the Governable Person,” *Accounting, Organizations and Society*, vol. 12, no. 3 (1987), 235-265; Peter Miller & Ted O’Leary, “Making Accountancy Practical,” *Accounting, Organizations and Society*, vol. 15, no. 5 (1990), 479-498; Peter Miller & Nikolas Rose, *Governing the Present: Administering Economic, Social and Personal Life* (Cambridge: Polity Press, 2008); Nikolas Rose, “Governing the Enterprising Self,” in Paul Heelas & Paul Morris (eds.), *The Values of the Enterprise Culture. The Moral Debate* (London: Routledge, 1992); Nikolas Rose, *Governing the Soul: The Shaping of the Private Self* (London & New York: Routledge, 1990).

This came as a strong confirmation of Foucault's hint, according to which the modern subject, the *homo œconomicus* that had emerged from the 18th century, had undergone certain changes two centuries later. As he put it himself:

[T]his *homo œconomicus*, partner of exchange, entails, of course, an analysis in terms of utility of what he is himself, a breakdown of his behaviour and ways of doing things, which refer, of course, to a problematic of needs, since on the basis of these needs it will be possible to describe or define, or anyway found, a utility which leads to the process of exchange. The characteristic feature of the classical conception of *homo œconomicus* is the partner of exchange and the theory of utility based on a problematic of needs. In neo-liberalism—and it does not hide this; it proclaims it—there is also a theory of *homo œconomicus*, but he is not at all a partner of exchange. *Homo œconomicus* is an entrepreneur, an entrepreneur of himself. This is true to the extent that, in practice, the stake in all neo-liberal analyses is the replacement everytime of *homo œconomicus* as partner of exchange with *homo œconomicus* as entrepreneur of himself, being for himself the source of his earnings.⁶

The new economic man—or woman⁷—has arrived, and he is an entrepreneur, i.e. not only an interest-driven calculative being: he is also his own origin, generates his own self as well as his own living. Starting from this assertion, there will be a twofold approach in this paper. As explained, and in accordance with the methodological approach of the authors who studied the rise of new modern subjectivities, the goal is to take a closer look at 'practical texts,' rather than limit our attention to the study of 'neoliberals' and their theories. The second goal is to focus on so-called "(business) entrepreneurs." If various forms of what is maybe too simplistically called "the modern subject" have already been observed and described as being "entrepreneurial" or "enterprising," then what can be said of the members of our societies that are commonly named "entrepreneurs"? If the theoretical *homo œconomicus* is now an entrepreneur, along with the flesh and blood manager, the industrial worker, the patient of a psychoanalyst, the consumer, and the child, one may indeed wonder if the entrepreneur himself is himself an entrepreneur as defined by Foucault. This is precisely what is to be examined here. The aim is to understand what kinds of economic men and women the butcher, the baker, and the brewer that Smith wrote about in the 18th century have become in the 20th century.

Answering this question calls for a genealogical approach. Once one accepts that economic actors are *made* as they are, be it by themselves or by others, the question indeed immediately shifts to that of the historical constitution of entrepreneurs as entrepreneurs. Interestingly, the notion of entrepreneur emerged in its modern, economic sense around the same time as that of *homo œconomicus*, during the late 17th century.⁸ The wide practical embodiment, throughout society, of the "enterprising subject" seems to have begun in the early 19th cen-

⁶ Michel Foucault, *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979*, 226.

⁷ *Homo œconomicus*, as defined by Foucault, could just as well be *mulier œconomica*. As our reader will see, however, the entrepreneurial subject that was being forged in the guidebooks we will study was invariably presented as male, and we will therefore always describe him as a "he," for the sake of historical consistency.

⁸ Pierre Demeulenaere, *Homo œconomicus. Enquête sur la constitution d'un paradigme*, Sociologies (Paris: Presses universitaires de France, 1996); Hélène Vérin, *Entrepreneurs, entreprises. Histoire d'une idée* (Paris: Presses universitaires de France, 1982).

tury,⁹ but also to have stopped short after only a few decades, because of the rapid rise of the wage system. This killed the dream of some early liberal thinkers who considered workers themselves as small, self-governing enterprises selling their human capital.¹⁰ The subordination of workers to their employers and supervisors in the wage system allowed for the emergence of new forms of “governable persons” among employed workers. These could of course engage in various forms of self-constitution—for instance through the individual measure of their efficiency thanks to the standard costing of production¹¹—, but they had renounced most of their autonomy by the mid-20th century, by signing employment contracts in exchange for a number of protective advantages.¹² Paradoxically, and again across the period from the mid-19th century to the mid-20th century, their employers also fell into the wage system: they became managers rather than entrepreneurs, following the growing separation of ownership and control at the head of large companies.¹³ Besides a few extremely visible “giants of enterprise,”¹⁴ business entrepreneurs remained not only invisible, but also a relatively small, disorganized, and somehow marginal social category.¹⁵

Something happened in the second half of the 20th century that allowed various authors to recently describe the society most of us around the world live in as an “entrepreneurial society,”¹⁶ where business entrepreneurs are presented as the leaders of a new “creative class.”¹⁷ It is therefore necessary to look back at the decades that followed World War II, in order to better understand what happened with business entrepreneurs at this crucial point in our history, when entrepreneurship not only grew considerably in numbers and visibility,¹⁸ but also, we will show, changed in its forms.

To do this, the paper presents and compares two series of entrepreneurship guidebooks issued by the US government in the mid-1940s (first section) and from the late 1950s (second section) respectively. It is argued that a major shift occurred between these two periods, re-

⁹ Pat O'Malley, “Uncertain Subjects: Risks, Liberalism and Contract,” *Economy & Society*, vol. 29, no. 4 (2000), 460-484.

¹⁰ See e.g. François Vatin, *Morale industrielle et calcul économique dans le premier XIX^e siècle. L'économie industrielle de Claude-Lucien Bergery (1787-1863)* (Paris: L'Harmattan, 2007).

¹¹ Miller and O'Leary, “Accounting and the Construction of the Governable Person.”

¹² Robert Castel, *From Manual Workers to Wage Laborers: Transformation of the Social Question* (New Brunswick, N.J.: Transaction Publishers, 2003).

¹³ Alfred D. Chandler, *Strategy and Structure: Chapters in the History of Industrial Enterprise* (Cambridge: MIT Press, 1962); Alfred D. Chandler, *The Visible Hand: The Managerial Revolution in American Business* (Cambridge: Harvard University Press, 1977).

¹⁴ Richard S. Tedlow, *Giants of Enterprise: Seven Business Innovators and the Empires They Built* (New York: HarperCollins, 2001).

¹⁵ Alberto Martinelli, “Entrepreneurship and Management,” in Neil J. Smelser & Richard Swedberg (eds.), *The Handbook of Economic Sociology* (New York: Sage, 1994).

¹⁶ David B. Audretsch, “The Entrepreneurial Society,” *The Journal of Technology Transfer*, vol. 34, no. 3 (2009), 245-254.

¹⁷ Richard L. Florida, *The Rise of the Creative Class, and How It's Transforming Work, Leisure, Community and Everyday Life* (New York: Basic Books, 2002).

¹⁸ Mansel G. Blackford, *A History of Small Business in America* (Chapel Hill: University of North Carolina Press, 2003); Scott Andrew Shane, *The Illusions of Entrepreneurship: The Costly Myths That Entrepreneurs, Investors, and Policy Makers Live By* (New Haven: Yale University Press, 2008).

garding primarily the attitude towards the future that was prescribed to entrepreneurs. The reading of these guidebooks reveals that prescriptions on how to deal with the future were central to their argument in both series, but that major differences existed in the ways they expected—and helped—their readers to actually deal with the future. In the 1940s, the future was supposed to be meditated upon: entrepreneurs were incited to mentally consider the dangers of running a business, and they were given mental techniques, along with basic paper technologies (e.g. checklists) in order to do so. They were invited to be aware of, to *remember* a future that was predefined. A little more than a decade later, and during the time that followed, entrepreneurs were told to plan their new businesses thoroughly, and to devise their own future, for this was no longer predefined. To do so, they were provided with more advanced paper technologies—and especially accounting technologies, such as ratios and pro forma tables, followed by business plan templates—to which they could delegate part of the work. The future was no more an object of meditation: it had become a methodical project. What consequences would this have for the entrepreneurial subject? The parallel reading of our guidebooks and of Foucault's analyses on attitudes towards the future in antiquity may well help us answer this question.

Remembering the Future

Before World War II, “entrepreneurship” did not exist as an identified field of practical knowledge. Over the two preceding centuries, various authors had of course already made major contributions to the theory of the entrepreneur.¹⁹ However, apart from the short-lasting practical translations of Sayian theory into advice for entrepreneurs-to-be, by authors like Claude-Lucien Bergery in early 19th century France,²⁰ very few examples can be found of texts that were specifically destined to provide recommendations to “lay” people wishing to set up businesses. Besides books that proposed technical advice on law, accounting, or organizational issues, that were designed primarily for people who had already received some form of business education—for instance in the recently created management schools of American universities—what could be found was mostly narrative presentations of model behaviour—like biographies of actual entrepreneurs or fictive stories of “successful” businessmen.

Yet, in the first half of the 20th century, the limits of the wage system, and especially the acute rise of unemployment in the 1930s, led many Americans to set up, or at least try to set up their own businesses. Simultaneously, the involvement of the state in small business issues increased. The local branches of the Department of Commerce, as well as many of the state governments, were called upon to provide support and guidance to these new entrepreneurs as well as, more generally, to the whole population of small businesses, that were often

¹⁹ E.g., to name a few, Richard Cantillon, *Essai sur la nature du commerce en général* (Paris: I.N.E.D., 1952); Frank H. Knight, *Risk, Uncertainty and Profit* (New York: Harper Torchbooks, 1921); Jean-Baptiste Say, *Traité d'économie politique* (Paris: Calmann Levy, 1972); Joseph A Schumpeter, *The Theory of Economic Development* (Cambridge: Harvard University Press, 1911).

²⁰ Claude-Lucien Bergery, *Économie industrielle, t. iii: Économie du fabricant* (Metz: Thiel, 1830); Michelle Perrot, “Travailler et produire. Claude-Lucien Bergery et les débuts du management en France,” in *Mélanges d'histoire sociale offerts à Jean Maitron* (Paris: Éditions ouvrières, 1976); François Vatin, *Morale industrielle et calcul économique dans le premier XIX^e siècle. L'économie industrielle de Claude-Lucien Bergery (1787-1863)*.

strongly affected by the contraction in their markets. In Washington, in relation to the New Deal, the government began to reflect and work on the provisioning of small business finance, notably, in order to facilitate the accession of small business owners to additional funding at a time when banks were particularly reluctant to lend them money. The state was all the more willing to walk that line as the promotion and support of free enterprise fitted well its democratic and liberal programme, and more generally the American creed. The necessary (re)conversion to civil life of a whole generation that had been forced to take part in World War II was the ultimate catalyst: it was the US Bureau of Foreign and Domestic Commerce, inside the Department of Commerce but upon demand from the Department of War, that produced what seems to be the first guidebook—a thirty-page booklet—on business creation in the US: *Establishing and Operating Your Own Business*.²¹

The Bureau had been created in 1912 out of the former Bureau of Statistics, and it regularly published notes on economic conjuncture at home and abroad, as well as industry reports that were meant to provide public and private actors with information on their markets.²² From the 1930s, and partly due to the economic downturn, the literature produced by the Bureau took a more local and pedagogical turn: it was now designed more for lay readers. From 1933, for instance, it started a series called *Aids for Analyzing Markets...*, with special issues dedicated to specific states. The idea was not only to put statistical data on local markets in the hands of the country's entrepreneurs, but also to help them decipher this data so they could more easily engage in preparing market studies, a technique that was getting more formalized and spreading under the influence of the growing discipline of marketing.²³ The Federal Government did not only want to inform anymore, but also, from then on, to guide business actors.

The war accelerated this development, with the notable creation in 1941 of the *Industrial Series* of guidebooks, of which *Establishing and Operating Your Small Business* was a part. Anticipating, very early on, the return of its troops to their homeland, the Department of War asked for guidebooks on business creation from the Bureau of Foreign and Domestic Commerce during the war itself. It initially issued them internally, giving them out to demobilized soldiers who were interested in setting up their own business. The end of the war, however, brought about a change of scale in the diffusion of such literature, and justified the publication and wide diffusion of *Establishing and Operating Your Own Business*, which was soon followed by numerous and often much thicker variants. Less than two years later, almost fifty such guidebooks of up to four hundred pages each had been published, from *Establishing and Operating a Grocery Store*, to *a service station*, *a shoe repair business*, *a hardware store*, *a confectionery-tobacco store*, *new businesses in aviation*, *a retail bakery*, *a laundry*, *a trucking business*, *a dry-cleaning business*, *a weekly newspaper*, *an automatic merchandising business*, *a book store*, *a small*

²¹ US Bureau of Foreign and Domestic Commerce, *Establishing and Operating Your Own Business* (Washington, DC: US Gvt. Print. Off., 1945).

²² Laurence F. Schemeckebier and Gustavus A. Weber, *The Bureau of Foreign and Domestic Commerce* (Baltimore: The Johns Hopkins Press, 1924).

²³ Franck Cochoy, *Une histoire du marketing. Discipliner l'économie de marché* (Paris: La Découverte, 1999).

print shop, etc. These books, along with a few others, formed what was soon renamed the *Industrial (Small Business) Series*, to be taken up here.

"The purpose of this booklet," as Secretary for Commerce Henry A. Wallace explained in his foreword to *Establishing and Operating Your Own Business*, "is to give you the broad picture of what it means to start a business of your own. While only the high spots of the many and complex phases of operating a business are covered, every effort has been made to present a realistic story." The idea, as one can see, was to incite those willing to create their business to consider the reality that awaited them. This was the reason why *establishing* a business was said to first and foremost require an understanding of what it meant to *operate* a business. In accordance with that principle, the first six sections of the booklet—out of eleven—were devoted to describing the activities of the owners of small businesses once they were in operation.

We here find a "nullification of the future" very similar to that described by Foucault in *The Hermeneutics of the Subject*: the future was made present all at once, rather than envisaged in its fundamental uncertainty. Of course, the motives were different: the stake here was economic rather than ethical and, ironically, the problem with the future was not, like in antiquity, that men worried too much about the future, but rather that they were excessively excited about it. This difference shouldn't be overstated, however. As Foucault noted himself the issue in ancient times was quite close to the one we observe in the 20th century: it was simply that "the future preoccupies," be it to generate anxiety or enthusiasm. "We are preoccupied by the future. The expression is interesting. We are, as it were, occupied in advance. The mind is preabsorbed by the future, and this is something negative."²⁴ In any case, the presentification of the future was achieved in entrepreneurship guidebooks following the stoic technique of the *praemeditatio malorum*: the booklet's (anonymous) author(s) insisted on exhibiting all the possible evils the beginner-entrepreneur was doomed to encounter, but was not willing to think about, obsessed as he was by the blinding glimpse he had at the joys to come. Their goal was to show "the bright side and the dark," by emphasizing especially the latter:

Certainly at one time or another every man wishes that he could be the boss, run the business, make the decisions and keep all the profits. It's the brightest half of a two-sided picture. If you only know this one side, then you had better get a clear view of the other side. It's full of greys and blacks that you should recognize before you attempt to come to any decisions. [...] If reading this booklet makes you think a little bit harder about some of the problems you may come up against before you invest your time and effort, as well as money, its purpose will have been achieved.²⁵

There are various reasons why the Federal administration opted for such a presentation of establishing a company. The first may have been the absence of other possible modes for envisioning the future, as we will understand when we come across other techniques—and technologies—that were promoted later on. The administration's self-interest may, however, come

²⁴ Michel Foucault, *The Hermeneutics of the Subject: Lectures at the Collège de France, 1981-1982* (New York: Palgrave MacMillan, 2005), 464.

²⁵ US Bureau of Foreign and Domestic Commerce, *Establishing and Operating Your Own Business*, 1-2.

as another main reason. The encouraged premeditation of evils was indeed supposed to come before any decision was made by the entrepreneurs, and especially before they made the decision to set up their own businesses. It was not meant only to help them prepare for what could end up being a painful journey, but also and maybe primarily to favour their self-selection, i.e. if possible to discourage them from starting this journey at all. The readers of the booklet, once enabled to envision “the bright side and the dark,” could indeed balance both sides in a quasi-calculation on the positive and negative qualities of their envisioned venture—a “quality-based rational judgement,” or “qualculation,”²⁶ upon which they could then base their decision to start their business or not. Facilitating such a self-selection can be seen as a way for the Federal Administration to pay back part of its moral debt to its soldiers—a debt that was fundamental in the “pact of war” Western governments had passed with their populations during the hostilities. Another form of debt may also have been at stake here on the part of the state, however, in an even more self-interested way: the merely financial. New business owners could have various public financing bodies that were lending money to the returning soldiers as part of the various advantages offered to them in the dispositions of the GI Bill—Servicemen’s Readjustment Act—of 1944.²⁷ Preventing business failures could help ensure the overall repayment of this debt. Whatever the constellation of reasons that justified this approach, the future of the new businessmen was presented as a dangerous one, and one that should be avoided in many cases.

What exactly were these evils that were made visible on paper in the booklet? They were numerous and could eventually all cause the discontinuation of the business if not envisioned early enough, and tackled with the right means. An important one was the intense competition that was said to exist between small businesses: the most recent census data, that of 1939, showed that there were “more than 2 750 000 small establishments” in the US, including 17 % in food retailing, 9 % in bars and restaurants, 9 % in real estate, insurance or banking, 7 % in service stations, etc. The new businessman would not be alone in this market, and things were doomed to become even worse in the aftermath of the war:

[...] the times ahead are sure to offer a real challenge to the owners of these businesses. They will have to meet new competition—in some ways stiffer than ever before. / Think what this competition may mean to you. / A tremendous amount of money has been saved by the American people during the war. Some of it will be invested in large corporations that will be active in your territory. Other people with more money than you possess will start out on their own. And established small firms in the same line will make extensive improvements and offer services that will probably be beyond your resources.²⁸

Survival in such a competitive environment required important resources, and especially financial ones, that the potential entrepreneur had to make sure he had in hand: “it takes money

²⁶ Franck Cochoy, “Calculation, Qualculation, Calqulation : Shopping Cart’s Arithmetic, Equipped Cognition and Clustered Consumers,” *Marketing Theory*, vol. 8, no. 1 (2008), 15-44.

²⁷ Sandra M. Anglund, *Small Business Policy and the American Creed* (Wesport, CT: Praeger, 2000), 45.

²⁸ US Bureau of Foreign and Domestic Commerce, *Establishing and Operating Your Own Business*, 2.

to make money.” The booklet made this very clear, first of all, by providing examples of the amounts of money required to set up certain kinds of businesses:

There have been some instances, for example, where small machine shops have been started with as little as \$2,000 and have succeeded. To establish a complete laundry service you would probably need upwards of \$10,000. / It is possible to start a small and simple grocery with only \$2,000 capital but the owner won't make much of a living until the business grows considerably.

And this need for money was also justified by the mention of the expenses that went with running a business. Costs were actually presented as one of the main evils for the businessman:

[...] the cost items are many and ever-recurring. So in figuring how much money you should have to get a business established, and running to the point where it is on a paying basis, you will be wise to overestimate rather than underestimate your needs.

The required, “wise” attitude was thus one of extreme caution regarding *all* the elements of the future company, even before they came into existence. This also remained true for matters that were not directly financial and required resources that were not only monetary: numerous non-financial constraints were presented as additional evils that also had to be foreseen. For instance, regarding the location of the establishment the booklet states:

It may be your home or it may be in a different part of the country—a place you have seen and liked during your war experience. / Certainly you should choose a spot you like, where you will be happy. But you must consider carefully the need for the business you plan to open. / [...] How are you going to find out about the need? The first step is to study the local business conditions. [...] When you are satisfied that you have picked an up-and-coming town or city—one that is likely to grow—then you will face the problem of the neighbourhood in that community. / In the retail and service trades, the neighbourhood location is of extreme importance. You will have to study all angles of it.²⁹

As the reader can see, all the evils that could possibly were considered sequentially, and thus made present under the eyes—as well as in the minds—of the entrepreneurs-to-be, revealing the general attitude that was recommended to them. The mental gaze on the future was bound to take time and effort; it was a proper meditation on the dangers of establishing one's own business, and could be summarized in a single phrase: “look before you leap.”

This prescription was developed throughout the booklet, which was a sort of catalogue of the dangers of business operation and therefore formation, that could be used by entrepreneurs to assess their projects. As a matter of fact, this quasi-catalogue was summarized in an appendix as a proper checklist, based on a specific kind of industry and taken from a previous brochure published by the same bureau a couple of years earlier: an eleven-page “check list for establishing a retail business,” which may be considered one of the first stan-

²⁹ Ibid., 10-11.

dard technologies of entrepreneurship. This little checklist was designed as an *aide-mémoire*, thanks to which the numerous elements that had to be looked at before leaping could be easily recalled. Since most of these elements bore on the business to come, this *aide-mémoire* was also an *aide-anticipation*: the checklist was here to make it possible to remember the future.

It did so in a very specific and methodical way however. There was a given, pre-assigned order, rather than a random, or simply alphabetical sequence. Certain issues came under the heading “when planning to start a retail store,” followed by others, such as “when deciding on the location of your store,” “when starting your store” and, finally, “when getting ready for the opening.” This instated a clear and consistent (chrono)logical structure in the otherwise random series of point-checking tasks. The new entrepreneur was invited first to review his “personal qualifications,” followed by his “financial qualifications,” before trying to envision the required “income (he would need) from the business” and “when to start your business.” After this overall appraisal of the venture, he had to turn towards his markets and study the “economic factors in the community,” the “need for a new store in community,” the “competition,” but was also invited to ask for “advice from others” and think about the possibility of “buying a going concern.” Once these tasks had been completed, it was suggested that he should consider the operational structure of his business: he should look closely at “the building and its location,” the “rental terms,” the “equipment and fixtures,” and start “planning (his) stock,” finding “(his) source of supply,” and “selecting (his) help,” plus make sure he was clear on “(his) accounting records,” “store policies,” “financial arrangements,” and “estimate of sales and profits.” Finally, before starting operations, the business owner had to make a last series of checks by answering the following questions, regarding mainly his ability to fulfil the requirements of various external stakeholders—suppliers, public administrations, accountants, customers, etc.: “Has stock arrangement been planned?,” “Have you arranged for necessary insurance?,” “Have you complied with regulations and other legal matters?,” “Are the accounting and sales forms ready?,” “Have you made your promotion plans?” and, last but not least, “Have the minor details been thought of?”

As one can see, such a process went beyond the simple premeditation of evils: the future was envisaged not only in its negative forms—a future of failure, costs and constraints—but also in a more neutral way. Things were thus starting to move very slightly, with the checklist, from *praemeditatio malorum* to some form of *praemeditatio neutrorum aut bonorum*—if we may invent such a fake Latin concept! It announced later technologies, which were to be used to govern the future, such as the business plan, the standard structure of which appears very close to that of the checklist. The chronological series of tasks that were suggested to the reader of the guidebook also suggested the possible existence of such a thing as an entrepreneurial process, in which the entrepreneur would be a worker, jointly elaborating his project and his firm.³⁰

However, if the list did invite entrepreneurs to look ahead, it did not provide them with planning methods that could have made it easier—or maybe even possible—for them to design the shapes of their coming businesses. In fact, none of the more complete, industry-

³⁰ Martin Giraudeau, “Le travail entrepreneurial, ou l’entrepreneur schumpetérien performé,” *Sociologie du travail*, vol. 49, no. 3 (2007), 330-350.

specific guidebooks from the same series helped in this respect either. The only forms of planning that could be found in these early guidebooks were spatial. *Establishing and Operating a Grocery Store*, for instance, provided geographical plans for deciding on the site of the store, along with examples of store layouts and plans for the design of shop-window furniture. Spatial planning, which had developed centuries earlier, was by then already a well-known technique that could be used and promoted easily: potential entrepreneurs knew how to read and often, even, how to draw such plans. Other forms of planning, including for instance strategic and accounting ones, remained on the contrary quite unfamiliar to lay entrepreneurs; the technicalities of making budgets, for instance, were not even mentioned.

Symptomatically, and even though they were structured around issues that regarded the future firm, the booklet and its checklist were mostly aimed at helping entrepreneurs self-select themselves, rather than actually work on their business projects. The list, for example, only required from them that they put checks at the end of its lines: as was explained at the top of each page: “A check or notation in this column will show you have considered the point.” Entrepreneurs were not hand-workers who designed the future: they were mental reviewers of existing, or at best slightly modifiable, futures who considered projects in their minds before deciding to engage in them or not. The authors of the checklist were actually quite explicit about their aims in this respect:

The following check list will suggest some of the questions which should be considered in advance. Obviously, this list does not cover everything—no list could. It does suggest some of the important things and some of the troublesome minor things as well. This list should be used as a starter. Going through it thoughtfully should start your mind working along the right channels and help you make sound final decisions.³¹

The list was a device made to channel the minds of entrepreneurs-to-be. This ultimate focus on the subject rather than on his project was made more obvious yet in certain parts of the booklet. This, the authors explained, was the consequence of “a certain number of surveys [that had] shown that among the major reasons for failures [were] (1) lack of knowledge and energy, (2) lack of capital, and (3) inadequate records.” Numerous pages were devoted to the first of these issues, i.e. that of the entrepreneur’s abilities, or rather his mental disposition:

Your entire mental make-up has a direct and important bearing on whether or not you should go in business for yourself. A practical way to judge this matter of traits is to compare yours with those of the typical independent businessman who succeeds.

As we see, the purpose was not, or at least not explicitly, to help the potential business owner to *dispose* himself toward entrepreneurship, i.e. to adopt a certain frame of mind that would help him to encounter success. The potential entrepreneur was invited to practice self-examination over his own mind, but not in the way of spiritual exercises; not to change his state of mind. Rather, his mind was considered a given, and immutable—i.e. predisposed. Introspection was only here to help him see whether he was “made” to go into business or not.

³¹ US Bureau of Foreign and Domestic Commerce, *Establishing and Operating Your Own Business*, 19-30.

The ideal entrepreneur was considered as having a set of mental “traits” that—a few years later—would be formalized by the newly born psychology of the entrepreneur,³² and it is against this benchmark that one was supposed to compare one’s psychological resources.

First and foremost [the typical independent businessman, added] is the leader type and gets a big kick out of being independent. He has ambition and initiative, energy and good health. He isn’t afraid of hard work. / He likes people and he knows how to get along with all kinds and all ages. He’s a firm boss but a fair one. / He thrives on responsibility. He takes the bad breaks and the good breaks in his side. (...) / He is honest and pays his bills promptly. His word is as good as his bond. (...) / He knows when to borrow money in order to take advantage of cash discounts or quantity buys. (...) / He gives his customers their money’s worth in goods or services. (...) / Lastly, the successful independent businessman feels a sense of definite responsibility to his community.³³

The list also included social responsibilities that one had to feel able to assume:

When you’re the boss you are responsible not only to yourself and family but to your employees and your creditors. It will be up to you to meet the pay roll and pay the bills. Make no mistake, it’s a heavy load. / Every final decision will be up to you. (...) / A hundred and one unexpected problems have a way of cropping. (...) / If you should decide to be your own boss you must realize that you, in turn, will be bossed. First of all, there will be your customers. They have the whip hand always. (...) / Others will dictate to you, too. Your creditors, for example, can never be ignored, nor can your competitors. Insurance people and health authorities will see that you follow definite rules and regulations. You will have to abide by wage and hour laws, and labor relations laws. And you will have to cope with the complications of the tax system.³⁴

Any man wishing to establish his own company, who after practicing the required self-examination, concluded that he was not lucky enough to be the holder of such traits, was thus encouraged to opt out of entrepreneurship and choose another career path. Of course, the Bureau of Foreign and Domestic Commerce must have expected that, in practice, people could conclude that they had only some of those traits, or even none of them, and still engage in business creation. The point, however, was to warn them about what was perceived as weaknesses. The Bureau thought that a certain number of professional skills could be acquired through education: “at any rate,” it explained for example, “you must know how to figure interests and discounts, keep simple but adequate business records, and conduct necessary correspondence.” It was too late to acquire these skills if they were not already there though: no adult education was envisaged—only on the job, “practical” training was considered—briefly—, in the booklet. It was only meant to help potential entrepreneurs improve the professional skills necessary in their envisaged industry.

³² David McClelland, *The Achieving Society* (Princeton: D. Van Nostrand Co., 1961); see Elizabeth Chell, “The Search for Entrepreneurial Traits,” in Elizabeth Chell, *The Entrepreneurial Personality* (London: Routledge, 1991) for a review of that field of research over the following decades.

³³ US Bureau of Foreign and Domestic Commerce, *Establishing and Operating Your Own Business*, 3-4.

³⁴ *Ibid.*, 5-7.

The making of entrepreneurs at this time was wholly a matter of self-selection of the candidates suited to entrepreneurship. There was no question of modifying the personal dispositions of unsuitable individuals. Just as projects were not to be planned, the subjects were not to (re)invent their selves.

Towards Business Planning

The context of business formation changed rapidly in the US after World War II. New industries started developing, including high technology ones (e.g. electronics), while older ones saw their growth rates explode (e.g. oil). These fundamental changes were related to macro-economic changes and involved primarily big firms that had the ability to invest in risky industries or to engage in the conquest of burgeoning mass consumption. Things also changed rapidly for small businesses that were often pulled into new market positions by the big ones, for instance through out-sourcing or franchise ties. The changes affecting small businesses were most importantly institutional ones, with the notable creation of the Small Business Administration (SBA) in 1953, following two decades of debates in Congress over the forms of support that had to be given to small business owners—a population whose symbolic weight in the political arena had been considerably increased by the hardships it had undergone in the 1930s. The new-born administration aimed among other things at providing financial and managerial support to “small” business people that had been described over the years—and in numerous congressional reports—as lacking in training and funding. With the SBA, the state stopped being only an intermediary, a mere “broker state,”³⁵ and began involving itself directly in the world and practices of business.

In this context, the beginner-entrepreneur was an obvious target. This was one of the reasons why the SBA immediately took over the idea of the *Establishing and Operating* book series—which was no longer available—from the Bureau of Foreign and Domestic Commerce. A new series of guidebooks, called *Starting and Managing*, was therefore issued from as early as February 1959. Just like the preceding series, the new one included a generic—i.e. non industry-specific—guidebook: *Starting and Managing a Small Business of Your Own*.³⁶ This new volume would be very durably and widely diffused: reedited once every decade over the following thirty years, it would be translated to many languages, including Italian and French and could for instance be found in Morocco.

The lead author of the guidebook was Wendell O. Metcalf (1907-1993), Deputy Director at the SBA of the Office of Management and Research Assistance, where he would spend the rest of his career until his retirement in 1971.³⁷ Metcalf, a Harvard Business School graduate, had taught until the war at Russell Sage College, NY, where he was Head of the Merchandising Division, before joining the Bureau of Foreign and Domestic Commerce during the War. Given this affiliation and the fact that Metcalf appeared in 1959 as the author of the new

³⁵ Jonathan J. Bean, *Beyond the Broker State. Federal Policies toward Small Business, 1936-1961* (Chapel Hill: University of North Carolina Press, 1996); see also Jonathan J. Bean, *Big Government and Affirmative Action: The Scandalous History of the Small Business Administration* (Lexington: University Press of Kentucky, 2001).

³⁶ Wendell O. Metcalf and US Small Business Administration, *Starting and Managing a Small Business of Your Own* (Washington, DC: US Gvt. Print. Off., 1959).

³⁷ Washington Post, “Wendell O. Metcalf Necrology,” *The Washington Post*, Jan 8, 1993.

SBA guidebook, one may reasonably suspect that he had also been one of the main contributors to the initial 1945 guidebook, *Establishing and Operating Your Small Business*. In any case, it comes as no surprise to see that he was moving from his previous position to the one at the SBA, an attractive and somewhat logical professional perspective for the members of the Bureau of Commerce, which was partly dismantled in the mid-1940s. At the same time, and throughout his administrative career, Metcalf maintained strong ties with academia. Notably, he took part in the creation of the National Council for Small Business Management and Development, of which he was President twice and which would become the International Council for Small Business (ICSB) from 1977.

This body was a leading one in the development of Small Business Management as an academic field, for instance through the organization of annual conferences and the creation of a key journal in 1963: the *Journal of Small Business Management and Development*, which was renamed the *Journal of Small Business Management* in the mid-1970s.³⁸ This emergence of a new academic sub-discipline, inside the wider world of management sciences that were themselves starting to respond more closely to what they considered to be the “needs” of business people,³⁹ had a clear influence on the contents of entrepreneurship guidebooks. By the end of the 1950s, business creation had become an object of methodological reflection, and could therefore start being tackled by entrepreneurs, as we will see, through more than simple meditation on a predefined future. Attempts were made at systematising entrepreneurship, through the notable introduction of new entrepreneurial technologies, along with the purification of older ones. Via these neatly formatted technologies, it became possible to work on devising the future, and to do so methodically.

The overall structure of *Starting and Managing a Small Business of Your Own* (1959) was broadly the same as that of *Establishing and Operating Your Own Business* (1945). The main goal, i.e. helping its readers to envision their future more clearly, was the same. However, the two guidebooks differed very much in the equipment they provided potential entrepreneurs. To begin with, the checklist that we encountered in the previous section was still there, but its status and contents had changed. Instead of remaining a mere appendix, it had been included in the core of the guidebook, as its ultimate chapter, before the conclusion, and had thus been ascribed greater importance. Its length had, at the same time, been reduced almost by half, which made it much simpler, readable and handleable as a technology: it could readily be used and therefore foster entrepreneurial work better.

Such technological purification could also be observed with respect to the personal characteristics of the entrepreneur. To facilitate his self-examination, he was provided with a tool that made it possible for him to visualize his own self: a one-page “rating scale for evaluating personal traits important to the proprietor of a business,” that included ten horizontal lines on which the potential entrepreneur was to put a cross in order to position, or more precisely “rate” himself, depending on his degrees of: “initiative,” “attitude toward others,” “leadership,” “responsibility,” “organizing ability,” “industry,” “decision,” “sincerity,” “per-

³⁸ R. H. Brockhaus, “The History of ICSB” (2005), <http://sbaer.uca.edu/research/icsb/2005/History.pdf>.

³⁹ See, e.g., Franck Cochoy, *Une histoire du marketing. Discipliner l'économie de marché*, 170, on the case of marketing.

severance,” and “physical energy.” In terms of initiative, for instance, he could place his mark closer to the left-hand side of the page and the following mention: “additional tasks sought; highly ingenious,” or to the more negatively defined right-hand side—“routine worker awaiting directions”—, or else somewhere in the middle if the entrepreneur felt he was more “resourceful; alert to opportunities”—centre left—or just able to “do regular work performed without waiting for directions”—centre right. Once he had put down all his marks, the self-examiner was able to see if he was on average more to the left- or right-hand side of the page. Recently born psychometrics were here used for practical purposes, and entrepreneurs were explicitly introduced to a world of psychological hierarchies where people had more or less aptitude for business.

Whatever conceptions of economic and social order were embedded in the checklist or the self-examination scale, what needs to be underlined here is that the mental techniques, which had been promoted previously to help entrepreneurs envision their present selves and coming businesses, had been purified and solidified into visualization technologies. The main difference was that these rationalized tools had now become *workable*. With a shorter checklist, the entrepreneur could begin practicing various forms of scenario simulation, by attempting to figure out what would happen if he modified one of the dimensions of his business. The psychological rating scale allowed him to identify specific aspects of his personality that he could embark on “improving”: the page, in its spatiality, also suggested movement, inviting the entrepreneur to drift along the lines for each aptitude. A shift was thus starting to operate from a mere contemplation of the future, leading to self-selection, to a visualization that fostered certain forms of work on the future—i.e. a shift of the US administration from a purely Darwinian conception of the selection of entrepreneurs to a more Lamarckian one, that allowed the acquisition of a certain number of characteristics by the individuals, who were, from then on, encouraged to model their projects and personalities, and not simply to self-select themselves based on their pre-existing projects and personalities. The future was now to be made.

In addition to these two technologies that purified and formalized techniques of entrepreneurship, new kinds of calculative tools were introduced as part of this shift away from sheer meditation on the future: accounting technologies, that allowed quantification of the future, and that therefore made it easier to work on the future, since numbers generate numbers. The first of these were ratios. Ratios had by then long been accepted and used by accountants in large companies;⁴⁰ entrepreneurship guidebooks were one of the vehicles of their progressive diffusion to the world of small business.

In *Starting and Managing a Small Business of Your Own*, it was recommended that the decision on where to set up the new business be based on the quantitative evaluation of the local population area. This human geography, it was suggested, could be produced easily by calculating the number of inhabitants per store, and comparing the result with the average value of this ratio in the same industry, which was made available in a table showing the “number of

⁴⁰ Peter Miller & Michael Power, “Calculating Corporate Failure,” in Yves Dezalay & David Sugarman (eds.), *Professional Competition and Professional Power: Lawyers, Accountants and the Social Construction of Markets* (London: Routledge, 1995).

inhabitants per store by selected kind of business.”⁴¹ The same approach was used by the guidebook’s authors a few pages earlier, where they provided another table exhibiting average levels of “profitability for selected lines of smaller business for the year 1956,”⁴² where profitability was defined, in a first column, as “return on investment” and, in a second one, as “return on sales.” Such ratios were an important step forward in the purification of business venture visualization and appraisal: they condensed a large amount of information into a single number, and thus made it possible to compare business projects between themselves, as well as with their own selves across time—to see how they were evolving. The average numbers provided could therefore be used to evaluate one’s own project, but also as targets or at least reference points in the design of the project that could for instance be transformed in order to reach or pass the desirable ratios.⁴³

The transfer of such prospective calculations to the world of small business was not such an easy task however. The power of such quantitative tools was indeed counterbalanced by their initial lack of understandability or workability. For a potential entrepreneur without prior knowledge of accounting, understanding what “return on investment” meant was far from obvious. Also, it is not certain that the definitional annotation at the bottom of the table helped much in this respect, in spite of obvious pedagogical efforts added. The second sentence for instance explained: “return on investment [is] the amount of net profit after taxes divided by tangible net worth. This ratio expresses the relationship between the owner’s share of operations for the year and the capital already contributed by the owners.” Accounting numbers are often derived from other accounting numbers, through what can be called “second order calculations.”⁴⁴ This derivation gives more freedom in their use, and thus makes such numbers welcome instruments for those who wish to generate futures easily and fast, but it also makes accounting widely self-referential, if one does not want to bother going back to the initial double entry records. The entry cost to ratios for the lay businessman could therefore be quite high and, if such an investment could yield substantial benefits, it also came with certain risks.

Even when the accounting concepts were understood, the numbers they required were rarely easy to obtain. How could one know how many people lived in the area where one wanted to establish one’s business? What were the frontiers of this area? What was the list of the assets that made the “tangible net worth” of the business, and what was the value of each of them? For all of this, as well as certain aspects of the business, the guidebook recommended that the entrepreneurs reach out for external help, from other more specialized booklets, or from people who would have the required statistical information and would therefore be able to help with the necessary calculations.

Apart from the members of the SBA offices throughout the country, many different kinds of specialists could be called upon for help. In *Starting and Managing a Service Station of*

⁴¹ Metcalf and US Small Business Administration, *Starting and Managing a Small Business of Your Own*, 16.

⁴² Ibid., 8.

⁴³ Peter Miller, “Accounting and Objectivity: The Invention of Calculating Selves and Calculable Spaces,” *Annals of Scholarship*, vol. 9, no. 1/2 (1992), 61-86.

⁴⁴ Michael Power, “Counting, Control and Calculation: Reflections on Measuring and Management,” *Human Relations*, vol. 57, no. 6 (2004), 765-783.

Your Own,⁴⁵ to take the example of another guidebook, the reader was advised to see an industrial psychologist and to hire a marketing specialist for the market study. He was also told to get advice from his potential suppliers, i.e. the big oil companies:

[T]hey have available accurate methods of determining the financial requirements for a particular marketing area, and even a particular service station location. If it is an existing location, they have available sales records for the location and also information regarding the total potential that exists in the area and its economic outlook for the present and future.

The different guidebooks emphasized the amount of “work to be done.” It was so much work, in fact, that the guidebooks apologized for not providing more than a “broad but sketchy idea” of it all. The making of the future had to be partly delegated: to various technologies, first of all; but also, when the technologies became more sophisticated, to other human actors. In order to come into existence, the new constructivist conception of the future in entrepreneurship required an entire and organized world of humans and non-humans working towards its realisation: for projects to be worked upon and put into these plans that are very properly called “prospectus,” there had to be such an apparatus.

This appears even more clearly with the second accounting technology besides ratios that was put in the hands of potential entrepreneurs from 1959. The SBA designed an accounting tool made specifically for people starting new businesses and who were willing to determine methodically whether or not it was reasonable for them to go into business. Ratios could tell you many things, but they did not answer the crucial question entrepreneurs kept asking themselves and the people advising them: how much money do I need to start my business? Conversely: can I set up a given business with the amount of money I have? Replying to these questions was the purpose of the “*worksheet for estimating capital requirements*,” which was created in the mid-1950s by the Office of Distribution of the Business and Defence Administration—inside the Department of Commerce. It was published again, in the years that followed, inside some of the few entrepreneurship guidebooks that were written by members of the then newly existing small business academia, before finally being included in *Starting and Managing a Small Business of Your Own* in 1959.

The worksheet was an oversized sheet of paper that one unfolded out of the guidebook. It consisted mostly of a large table, located on its verso and designed to allow the calculation of the “initial capital requirements for a flower shop” and, by extension, for any other kind of business. Similar to a cash-flow statement, it combined two other kinds of accounting tables: it started as the “expenses” part of an income statement at the top of the page, but continued with the “asset” part of a balance sheet. The upper part was thus made to account for the operational expenses of the firm over the first two months of its existence, while the second one listed the cost of the assets—real estate, furniture, stocks, etc.—that had to be acquired before operations could begin. The total of all these elements, in the bottom line of the table, was to be the minimum amount of capital needed, in cash or in kind, to start running the business. The construction of this standard and synthetic measure of the cost of business

⁴⁵ US Small Business Administration, *Starting and Managing a Service Station*, 2d ed. (Washington, DC: US Gvt. Print. Off., 1961).

establishment, however, was a novel feature, which gave entrepreneurs a new kind of grasp on their future. In order to eventually improve the bottom line, they could size up each of the separate items, and make decisions on them: should the store be smaller—and the rent cheaper? Could the stock be increased? Would the electricity expense be that high? A second new entrepreneurship-specific technology, besides the previously mentioned “*checklist*,” was born. The worksheet made it possible not only to look at the future company, but also to size and seize it in money terms.

For lay entrepreneurs, the new worksheet was not easier to use than ratios. Four additional characteristics were, however, supposed to make it more accessible and workable. Considered together, they provided what may be called elements of method for preparing the worksheet, which could not bear its entire method per se. First, the worksheet was detachable, which allowed for its circulation, and even called for it. Once the sheet had been filled in, the prospective business owner was invited to go and discuss the figures with bankers, accountants, suppliers, and any other professional from whom he could gather advice and guidance.

Second, the worksheet contained extra—rather detailed—information, that could help the entrepreneur-to-be make his own, informed decisions. Contrary to the ratios, for which only a few elements of explanation were provided, a whole set of accounting methods was printed onto the verso of the worksheet. This assisted the entrepreneur in understanding how to fill in each of the boxes of the table. When dealing, in the expenses section, with the owner’s salary, the worksheet for example advised:

The amount which should be allowed for owner’s salary will depend on the extent to which you draw on the business income for personal expenses. Some proprietors draw a regular monthly salary and the remainder of net profits irregularly or at the end of each year. Others reinvest a part of net profits in the business. / The owner’s salary as a percent of net sales will generally decline with increases in sales volume. However, all other salaries and wages, as a percent of net sales, will generally increase. The two items together generally constitute a somewhat constant percentage of sales volume. / The amount which should be planned for the owner’s salary should be at least equivalent to the weekly salary he would pay an employee for the same kind and number of hours that the proprietor will devote to the business.

Explanations thus went far beyond basic definitions of accounting terms. Systematic advice was provided about the types of decisions that ought to be made when filling in some of the boxes. Various possibilities were presented, but a certain number of these options—e.g. with regards to salary levels—were mentioned in a way that suggested it was wise to follow them, and “good” accounting practices were recommended. Norms were established that the entrepreneur could deviate from, but knowingly.

Third, following another, complementary element of method, some of these norms were set in an explicitly quantified way: filling in the lines of the upper part of the table was made easier by exhibiting the relations of proportionality that were supposed to exist between them. Calculation of the various expenses implied by running a flower shop, for example, was thus almost automated: each expense was described as amounting to a given proportion of the expected net monthly sales—12 % for the owner’s salary, for example, or 11 % for “*all other*

salaries," 7.5 % for "occupancy (including rent, light, heat and building services)," 3 % for the "delivery expense," etc. If he was not willing to set up a flower shop, the entrepreneur-to-be could order the adequate numbers for his chosen industry by mail or just ask them from his local SBA office. In all cases, the overall expense structure of the business-to-be was initially pre-set. Or, at least, the entrepreneur when devising his own, specific project could use this pre-set accounting architecture of the business as a reference point. He immediately had in hand a first, small scale-model of a business similar to his own, with which he could compare. It was as if a sketch of the future was given to him, so that he could further devise his own desired future by making corrections based on his singular resources and appraisal of the specifics of his project.

Fourth and finally, for one of the main lines in the bottom section of the table—"fixtures and fittings"—the worksheet's verso included an additional empty table: it listed the various elements that could compose the "fixtures and fittings," for instance: "refrigerator," "cash register," etc. This could thus be used as an analytic draft in which to sum up the "fixtures and fitting's" total before entering it in the worksheet *per se*. In case no national statistical averages were available (for the various fixtures and fittings), the procedure did not consist in automating the calculations, but in decomposing them methodically in order to facilitate their completion by the lay entrepreneur. The worksheet was designed in a way that allowed it to actually do part of the entrepreneurial work that was thus delegated further to paper technologies.

This interesting and rather clever worksheet however raised a certain number of issues that reveal the difficulties of designing acceptable technologies of the future. As we just described, it could only be adopted by its target readership if it was accompanied by a serious amount of supporting information, tools, numbers, etc.—as if many paper clips and staples were needed to fix it onto something. All this extra methodological equipment was undoubtedly helpful for the entrepreneur, but it could also be seen as a burden: following all the scripts could prove tedious. With its add-ons, the worksheet lost part of its purity and—therefore—ability to circulate smoothly. One must also add that this accounting mix hindered the future-devising potential of the income statement, which can be projected over years, but was only used in the worksheet to account in advance for the very first two months of activity of the business under consideration. One last limit of the "worksheet for estimating capital requirements" was, as for the ratios, that it only gave a quantified and thus easily manipulable view of the coming business. As in any accounting table, the link between the exhibited numbers—be they those of operational expenses or asset values—, and the physical realities they referred to remained absent; the numbers stood for themselves, and one could wonder, while reading the numbers, where they arose from. The expenses and assets were not seen directly and no other explanation was provided to justify the figures that summarized them. The mediation of the number could thus create suspicion, wherefore the entrepreneur had to be asked further questions if one wanted to make sure his numbers were relevant. The worksheet could not stand by itself.

Such practical limits of the worksheet can be imagined, and may have been discussed explicitly at the time inside the SBA or among the business population. Unfortunately, no trace of such discussions has remained. A few signs of the perceived imperfections can be

found in the redesign the worksheet underwent in one of the later editions of the original 1959 SBA guidebook. *Starting and Managing a Small Business of Your Own* was reedited first in 1962, without changes. The following edition, in 1973, included a certain number of additions and revisions that deserve consideration.

First of all, the worksheet was modified. It was now included in the normal page setup of the guidebook, and therefore not detachable anymore. Most importantly, what used to be its two combined parts—the expenses part and the assets part—was exhibited separately on two different pages. Furthermore, the wording was changed from the specialist accounting terminology to everyday English: the “initial capital requirements” box was now named “total estimated cash you need to start with.” The issue in these tables was not really “cash” in the accounting sense of the word, but actually “capital,” which meant that the prospective business owner could for instance count in the worksheet the value of assets he already owned in kind. This was not considered a problem, which clearly reveals that the priority was given almost entirely to improving the understandability of the worksheet: it now seemed able to circulate without all its former armada of explanations and pre-set numbers; these had completely disappeared. Having been reconstructed more methodically and purified, the little accounting table could stand and circulate on its own, without the methodological support it had needed until then.

Simultaneously, the worksheet left space for more self-construction of their businesses by entrepreneurs. Average national profits, and pre-set proportions between sales and expenses had been erased: one size did not fit all. Each prospective businessman was instead invited to figure out the singularity of his own future business. “Try to obtain typical operating ratios for the kind of business in which you are interested,” the guidebook advised. “[They] will serve as bench marks for estimating the various items of expense.” It immediately emphasized that:

However, you should not rely exclusively on this method for estimating each expense item. You should verify and modify these estimates through investigation and quotations within the particular market area where you plan to operate.⁴⁶

Accounting calculations were now considered to be of secondary importance; they were subjected to other forms of prospective judgement, based on “investigation and quotation.” The remaining issues, however, concerned the exact combination of these different forms of judgement with accounting numbers, and that of the space that could be left for their actual formalization and exhibition—without which they could hardly be disputable and thus workable forms of judgement.

One of the possible solutions to these issues may have been in the constitution of a synthetic type of plan, the business plan that had been proliferating in the venture capital industry since the very late 1960s and was already starting to be mentioned to lay entrepreneurs. The phrase “business plan” appears for the first time in the SBA guidebooks in the 1973 edition of *Starting and Managing a Small Business of Your Own*. The slightly revised checklist as-

⁴⁶ Metcalf and US Small Business Administration, *Starting and Managing a Small Business of Your Own*, 14.

ked: “Have you developed a business plan?” and a one-page series of bullet-points tries to summarize the key goals of the business plan in a memorisable—although somewhat unconvincing—way:

Generate measurable goals and sub-goals. Organize action steps to achieve goals. Allow for obstacles. Line up actual performance against goals. Set new goals and sub-goals to keep up to date.

What did “*business plan*” mean with this? The phrase was to be found in the last section of the guidebook, i.e. the section that until then had been entitled “Keeping up to date” and that had been devoted to the additional sources of information available for prospective business owners. The section was now renamed: “Setting goals and keeping up to date.” The business plan surfaced with a call for a more structured design of the future, one that could be used later on in practice as some sort of *tableau de bord* to monitor the evolution of the existing business. The scrupulous observance of the advice provided in the guidebook was to lead to the production of an orderly and auditable future, thanks notably to the setting of precise and measurable goals over periods longer than the ones considered in the previous volumes of the *Starting and Managing* series.

Diligent effort in searching out answers to questions such as those posed in this booklet is necessary to obtain the knowledge and make a sound business plan. (...) In chapter 1 setting the right kind of goals was suggested as a method for increasing achievement motivation. (...) Be specific. Write down the goals in terms of performances which can be measured. Major goals should be broken down into sub-goals, showing what you expect to achieve in the next 2 to 3 months, the next 6 months, the next year, and the next 5 years. Beside each goal and sub-goal, place a specific date showing when it is to be achieved. / Plan the action you must take to attain the goals.

It was thus the construction of a complete architecture of the future that was required from the prospective business owner. A clear schedule had to be set, and it was to include identifiable goals, whose achievement could be measured, as well as scenarios thanks to which possible problems could be confronted if they actually arose. With such a technology as the business plan in hand, the potential entrepreneur could start designing the future. Interestingly, this future was simultaneously his own and that of his company. The advice marked out “set goals for yourself,” but the long-term measurable goals were undoubtedly goals for the company. Self-examination and self-selection, which were still promoted in the first pages of the booklet, now appeared as minor components in a more general practice of close examination of a self-constructed future that was at once the future of the entrepreneur himself and that of his company.

Conclusion

The story recounted here about the shifting nature of the prescriptions contained in entrepreneurship guidebooks between 1945 and 1975 in the US is that of a transformation in conceptions of the future, from the idea of a pre-existing future to that of a future remaining to

be constituted. This move is simultaneously a move in terms of the equipment the entrepreneur was provided with, from techniques of the self—used in self-selection—to technologies of business—i.e. primarily accounting technologies. It corresponds to a change in the entrepreneur-to-be's expected gaze on business matters: from the reflexive meditation on his own future, to the methodical planning of the coming firm. Three main conclusions may be drawn from these empirical observations.

1. *Reconnecting Foucault*

The first conclusion concerns the intellectual benefits from the experimental reconnection of two Foucauldian streams of research. Foucault noted the crucial part played by the shifting status of the future in the evolving self-constitution of the subject in his works on antiquity. As demonstrated, this shift can be examined through the study of “practical texts” as they were made and re-made for modern entrepreneurs. This takes our focus beyond the analysis of somewhat disembodied neoliberal theories. Such a reconnection is fruitful, since Foucault's insights on the “nullification of the future” allowed us, for instance, to highlight the specific self-selection of entrepreneurs that was being promoted by the US government just after the war and, conversely, the push for business planning that emerged from the late 1950s. Taking the conceptions of the future into account in the empirical analysis of entrepreneurial action is obviously heuristic, given how much this type of action leans towards the future.

The historical shift described in this paper echoes the one from the “care of the self” to the (regrettably) missing “confessions of the flesh” that were to conclude the *History of sexuality*. As Foucault put it elsewhere, rapidly synthesizing his endeavour in this planned trilogy:

Roughly speaking, we could say that the whole of ancient thought was a long movement from memory to meditation. [...] And, of course, let's say there was a different trajectory from the middle ages to the start of the modern age, to the sixteenth and the seventeenth century: this was the movement from meditation to method.⁴⁷

It is therefore tempting to conclude on a similar—although later—evolution in the figure of the entrepreneur. If one follows Vérin, the modern sense of the word ‘entrepreneur’ arose precisely when ‘enterprise’ stopped meaning a “random adventure”—of love or war, for instance—as it had been throughout the middle-ages. Rather, it started referring to activities where “a decisive place is given to the preliminary evaluation of the means that are to be put to uncertainty [...] in order to maximize the odds of success.”⁴⁸ The modern entrepreneur would thus have emerged from the times of pure chivalrous action described by Vérin, when the future was emptiness, to get a hold on the future, first by conceiving it as pre-existent and domesticating it through meditation, and then by engaging in the proper construction of a future from then on conceived always as devisable.

⁴⁷ Foucault, *The Hermeneutics of the Subject: Lectures at the Collège de France, 1981-1982*, 460-461.

⁴⁸ Vérin, *Entrepreneurs, entreprises. Histoire d'une idée*, 22 – our translation.

Such use of Foucault's concepts may have its limits, but it does have the advantage of raising important empirical questions, regarding especially the definition of the entrepreneur and the history of the future.

2. *The Entrepreneur's Detour of Reflexivity*

Strikingly, the study of entrepreneurship guidebooks, starting from questions relative to the constitution of the entrepreneurial subject, slowly drifted away from this given subject and into anonymous technologies of the future, thanks to which someone was expected to engage in business planning activities. In the second period, it was indeed only by contemplating and reflecting on his own oeuvre—the burgeoning project and, later, the firm—that the entrepreneur was eventually able to get a reflexive glimpse at himself as a person. Entrepreneurial traits were of course mentioned and they too had become workable, but they were far less central than previously: the subject was subjected to the project. This is the second conclusion.

Such an absence or at least detour of reflexivity inevitably raises questions about where the frontiers of the enterprising entity stand: is it the person that is an “enterprise-unit,” as Foucault put it,⁴⁹ or is it the firm that is the enterprise, and the person just another issue? The techniques and technologies of entrepreneurship may after all have become technologies of business, and thus stopped being technologies of the self, which would (now) care for himself through other means. This, however, is debatable. It is certain that the ‘methodologisation’ of entrepreneurship, what some call its ‘rationalisation’ or its ‘bureaucratisation,’ comes in part as a comfortable substitute to practices of subjectivation: once accounting numbers and formats are introduced, with their ease of use, the appetite for the quasi-automated generation of business futures unavoidably increases, while the painstaking shaping of personal attitudes decreases in proportion. At some point the future becomes more governable than the soul. However, it should be underlined that the growing domination of business planning methods from the 1960s did not in any way mean that entrepreneurs were not affected by the methodical construction of the future they now engaged in—quite on the contrary. The last guidebook we looked at suggested this, for instance, by emphasizing the role of goal-setting in the maintenance of personal drive: “setting the right kind of goals,” it explained, “was suggested as a method for increasing achievement motivation. Such motivation must be sustained if you are to be successful in starting and running your own business.” The new entrepreneur was therefore not necessarily one that possessed all the required entrepreneurial characteristics: he could now acquire some of them in interaction with his business plan.

The question that remains, however, concerns that of the exact breadth and depth of these interactions: was the new entrepreneurial subject ‘the man, plus the plan’ that gave him (external) motivation, or did devising the plan in some way change the man, in his most intimate dispositions toward the future, as if now ‘the plan was in the man’? This question of the possible transactions between subjects and their projects is a specific case of the interactions, as Franck Cochoy put it, between “dispositifs”—devices and “dispositions”—in the Bourdieusian

⁴⁹ Foucault, *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979*.

sense of the word,⁵⁰ and no easy answer may be given to it here. However, the ulterior success of business plans as tools for entrepreneurship education suggests that they may have a lasting impact on the people who handle them: putting them in the hands of business school students is for instance said to help foster their “entrepreneurial spirit.”⁵¹

3. *The History of the Future*

The progressive emergence of advice that made it possible for small entrepreneurs to start “colonizing the future”⁵² in the second half of the 20th century reveals how surprisingly little mastery men had over it until then. It took decades before small entrepreneurs started being able, *as a population*, to do more than envisage the spatial forms of their coming businesses, and could consider—as well as work upon—the accounting or strategic shapes that these businesses could and/or should have. Strangely, the techniques and technologies that allowed them to do that, in spite of sometimes being rather clever in their design, were not very sophisticated and had often existed for centuries—e.g. simulated balance sheets.⁵³ This being said, it is interesting to note that their simplicity was only apparent, and that it took considerable efforts—through their purification or methodological add-ons, for instance—to make them applicable by lay persons.

Designing technologies of the future seems particularly problematic, and this goes far beyond the single question of entrepreneurship. The history of schedules is very telling in this respect: it was indeed only in the 17th century that people started leaving blank spaces on their calendars and using these to plan their activities over time.⁵⁴ This may explain the fact that, for centuries, the future was mainly conceived spatially: the future was *elsewhere* and that was it, as the numerous projects of many colonizers or warmongers suggest. One may argue, conversely, that the acceleration in the “conquest of the future” that was observed in various domains post-1945 was due to the closure of the spatial possibilities for expansion for human action. The world being full and war being proscribed, the only option left for action—besides science fiction, on the one hand, and actually going to the moon, on the other—was to turn reflexively to itself and learn to expand in non-physical, but rather economic, social, etc. spaces, which implied developing innovative tools that would allow to better design such new kinds

⁵⁰ Franck Cochoy, “La Captation des publics entre dispositifs et dispositions, ou le petit chaperon rouge revisité,” in Franck Cochoy, *La Captation des publics: «C’est pour mieux te séduire, mon client»* (Toulouse: Presses Universitaires du Mirail, 2004); Franck Cochoy, “A Brief Theory of the ‘Captation’ of Publics. Understanding the Market with Little Red Riding Hood,” *Theory, Culture & Society*, vol. 24, no. 7-8 (2007), 203-223.

⁵¹ Lorella Cannacacciolo, “To Support the Emergence of Academic Entrepreneurs: The Role of Business Plan Competitions,” in Alain Fayolle & Heinz Klandt (eds.), *International Entrepreneurship Education. Issues and Newness* (Cheltenham: Edward Elgar, 2006); Norris Krueger, “The Impact of Prior Entrepreneurial Exposure on Perceptions of New Venture Feasibility and Desirability,” *Entrepreneurship Theory and Practice*, vol. 18, no. 1 (1993), 5-21; Nicole E. Peterman & Jessica Kennedy, “Enterprise Education: Influencing Students’ Perceptions of Entrepreneurship,” *Entrepreneurship Theory and Practice*, vol. 28, no. 2 (2003), 129-144.

⁵² Anthony Giddens, *Modernity and Self-Identity: Self and Society in the Late Modern Age* (Stanford, CA: Stanford University Press, 1991).

⁵³ Fernand Braudel, *Civilisation matérielle, économie et capitalisme (XVe-XVIIIe siècle). 2. Les jeux de l’échange* (Paris: Librairie générale française, 1993 [1979]), 483.

⁵⁴ Francesco Maiello, *Histoire du calendrier, de la liturgie à l’agenda* (Paris: Le Seuil, 1996).

of ventures. This hypothesis should of course be refined considerably, by mentioning for instance the persistence of the spatial design of the future by engineers in their machine plans, which are another rather ancient technology of the future, along with geographical and architectural ones. In any case, historical research must account for the late emergence of the methodical construction of non-spatial futures, and the correlative proliferation of projects.

In doing so, one should unavoidably emphasize the crucial role of modern states in this “conquest of the future.” In the case studied here, just like in other parallel ones,⁵⁵ it actually took whole government administrations, with the support of an emerging academic sub-discipline whose development it fostered actively, to incite entrepreneurs to adopt a constructivist attitude toward the future. Foucault was well aware of the role of the state in the shaping of entrepreneurial conduct. He had himself underlined that the new *homo œconomicus*, as opposed to his Enlightenment-born and exchange-oriented predecessor who “basically function(ed) as what could be called an intangible element with regard to the exercise of power,” is “eminently governable.”⁵⁶ Being

[t]he person who accepts reality and who responds systematically to modifications in the variables of the environment, [he] appears precisely as someone manageable [...]. From being the intangible partner of *laissez-faire*, *homo œconomicus* now becomes the correlate of a governmentality which will act on the environment and systematically modify its variables.⁵⁷

This handleability of the entrepreneurial subject allows for state intervention, as we can see, but this intervention only comes after the new economic being has been formed and no evidence was provided by Foucault to suggest that the state may have been involved, earlier on, in the formation of this new being.

Quite the contrary: some of the “elements of context” that in Foucault’s eyes explained the re-emergence of *homo economicus* under its new guise seem to have had an opposite impact to the one he suggested. Foucault defended the idea according to which “American neoliberalism” was born as a mere reaction to the 1930s’ New Deal, to the promises of lifetime employment that were made as “pacts of war” by governments with their populations in the 1940s, and to the programmes developed in the 1950s in favour of education and against poverty and segregation.⁵⁸ We have shown here that, if this may be true for neoliberalism as a corpus of theories, it is far more difficult to conceive the business practices that seem to correspond to these theories as the mere consequences of a reaction against such progressive policies. It seems rather that it was these policies themselves—and not the reaction against them—that directly favoured the emergence and proliferation of entrepreneurial behaviours and attitudes. Further studies on the role of the state in the opening or closure of the future

⁵⁵ Similar observations are made for instance by Peter Miller on the history of discounting technologies – cf. Peter Miller, “Accounting Innovation beyond the Enterprise: Problematizing Investment Decisions and Programming Economic Growth in the United Kingdom in the 1960’s,” *Accounting, Organizations and Society*, vol. 16, no. 8 (1991), 733-762.

⁵⁶ Foucault, *The Birth of Biopolitics: Lectures at the Collège de France, 1978-1979*, 270-271.

⁵⁷ Ibid.

⁵⁸ Ibid., 216.

for its constituents would be welcome, for instance through more precise analyses of the way it fostered the post-war development of these academic disciplines, situated in a true “epistemological twilight,” that are Entrepreneurship and Small Business Management.

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